

6173

Committee Bill No. 6173 An Act Concerning Pawnbrokers

I represent Silk City Exchange, a pawn shop in Manchester, CT. We would like to convey our opposition to *Committee Bill No. 6173; An Act Concerning Pawnbrokers*.

We are a small establishment, have been in business for 3 years, and comply with all state and local regulations. Valid identification is required of customers for all purchases and pawn transactions, contact information is documented, and driver's licenses are copied. Photocopies are made of all jewelry; and make, model and serial numbers are documented for all items possessing such. Weekly reports are submitted to local law enforcement, as we work in partnership in an attempt to prevent the sale or purchase of stolen property. In our 3 years of business we have only had 3 items confiscated. On average, 70 to 80 percent of all pawns are repaid, and **LESS** than half of 1% of items brought to a pawn shop is identified as stolen goods [according to the National Pawnbrokers Association]. We are business professionals, and have common sense to recognize 'red flag' situations, i.e. serial numbers that have been removed, or a very young man selling a 2 carat diamond ring. We are in business to help our communities and earn an honest living, not to knowingly purchase stolen items. Thieves are more likely to use the services of "mail order gold buying" and out-of-state gold buyers who rent hotel rooms in the area for the weekend, as our state and local law enforcement does not require them to photograph their items.

We are fortunate to have an industry specific computerized program to assist us with documentation, however many pawn shops in Connecticut do not have that luxury. Most pawn shop owners, including us, are currently using software that does not have the capability of taking photographs of items or identification for electronic transfer. The cost of purchasing a program that does is **tremendous**, several thousand dollars, and one that most pawn shops, including ours, would find difficult to afford. Not only must you purchase the actual software, but a specific scanning device and camera setup would also be required. Taking photographs with a digital camera may sound easy, but remembering which picture goes with which transaction once it is uploaded to a computer and integrating the photographs with electronic files would be quite a challenge, and extremely time consuming.

This bill will not only have a **serious** negative impact to pawn shop owners, but I believe we will all lose **many** customers as it will send a **negative** message that "all pawn shops sell stolen items", which has long been a stigma in the industry. Therefore we will lose our customers to those who would not be affected by this bill, but operate basically in the same manner which include those with Junk Dealer licenses who buy and sell electronics, tools, and other valuables; established jewelry stores, and those with precious metals licenses, who strictly buy gold and jewelry.

Most pawn shops, like us, fit in the category of small business owners. I feel this bill will impose a burden of not only money, but time, neither of which we cannot afford. I urge you to view the statistics, and actually visit local pawn shops for a first-hand look at our facilities before voting.

Respectfully,

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